

March, 2008

SLC 4-Plex Market Quarterly Newsletter

Market Pulse

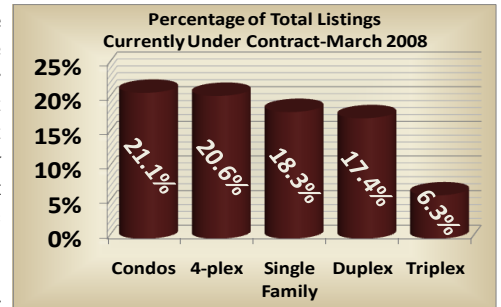
- Utah Fourth Quarter HPI - 9.27%.
- Under Contract Ratios Show Signs of an Improving Market.
- Unemployment in Utah Remains Low at 3% for January, 2008.

4-Plex Sales Volume:

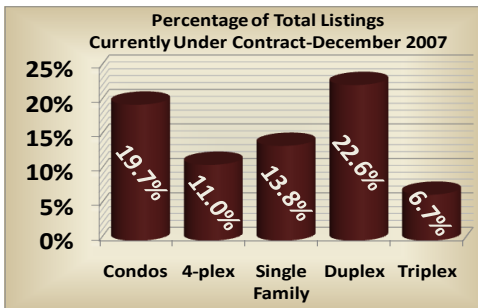
February 2008	4
January 2008	0
December 2007	4
November 2007	3
October 2007	5
September 2007	3

Sales Rates for 4-Plexes in Salt Lake Increase: 4-Plexes Become More Attractive for Investors.

Over the past few months the 4-plex market has seen some exciting changes. Active 4-plex listings have decreased and the number of 4-plexes under contract has increased. The lower chart shows that back in December of 2007, the under contract ratio for 4-plexes was a measly 11.0%. It was one of the coldest segments of the market. There were 97 active listings and only 12 under contract listings, with only four 4-plexes sold that month. Fast-forward to March 2008 (the upper chart) and we see that the under contract ratio has now shot up to 20.6%. There are now 77 active listings and 20 under contract. This means that there are a total of 97 available 4-plexes in the market and 20 of those 97 (or 20.6%) are currently sales pending. We believe that this increase in activity is the result of rents on the rise, low interest rates, a couple of boosts in the lending industry, and Salt Lake County's excellent economy. Vacancy rates throughout the county are still very low, which is continuing to put upward pressure on rents. With property values no longer on the rise and rents increasing, the cash flow for investors is improving and we are beginning to see buyers slowly returning to the market. To give you a feel for where inventory levels are at historically, back in March of 2006 there were 39 active 4-plex listings and 32 under contract. There were almost as many under contract as active, this is a perfect scenario for appreciation that we certainly saw at that time. A year later, in March of 2007, there were 60 active listings and 36 under contract. Inventory had started to build and appreciation was slowing, but it was still a good market. The mortgage/lending crisis hit full gear shortly thereafter and by October of 2007 active listings had skyrocketed to 110 and under contracts had fallen to only 12. Sales volume had become very poor. As shown on the 4-plex sales volume table to the left, over the past 6 months we haven't had a month with more than 5 sales and January actually showed zero. That was a



Mid-March Under Contract Ratios for Residential Real Estate in Salt Lake County.



December Under Contract Ratios for Residential Real Estate in Salt Lake County

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Utah Leads the Nation in Home-Price Appreciation for the Fifth Straight Quarter.

Utah's home-price appreciation was the highest in the nation for the fifth straight quarter. The HPI or home price-index is compiled every quarter by the Office of Federal Housing Enterprise Oversight. This index is a function of property appreciation as compared to the same quarter from the previous year. In Utah, prices rose 9.27 percent in the fourth quarter of 2007, compared to the fourth quarter prices of 2006, placing Utah in the top spot over all other states nationally for the fifth consecutive quarter. Compared with the home price-index for the US as a whole of only 0.84 percent, Utah remains the nations strongest real estate market.

Top 5 States—HPI for the 4th Quarter of 2007

State	Rank	1-year	Quarter
Utah	1	9.27 %	0.64 %
Wyoming	2	8.27%	0.26 %
North Dakota	3	7.87 %	1.87 %
Montana	4	6.90 %	1.21 %
Alaska	5	5.97 %	-0.16 %
United States		0.84%	0.10 %

(Continued from page 1)

recipe for values to drop, as there was simply too much inventory and not enough demand. Since October of 2007, inventory levels have been gradually decreasing. With 77 now active and 20 under contract, we now have numbers that essentially should result in the slowing or stopping of any further decreases in value and it is likely that some areas may experience minimal appreciation. It is our opinion that current values will likely remain fairly constant for the remainder of 2007, with no significant appreciation. Though this isn't as exciting as seeing appreciation, it is exciting from the prospective that at least values should hold up fairly well this year and we likely won't see the significant drops in value that most of the rest of the country is experiencing. Though the last 8 months or so have not seen much in the way of sales (as illustrated on 4-Plex Sales Volume chart), it appears that conditions are returning so that once again it is a decent time to sell a 4-plex in Salt Lake County.

FEATURED PROPERTIES

\$324,900



4642 Arlington Park Dr.

Great Investment Opportunity! Owner lives in one of the units. Perfect for Owner-Occupant buyer or first time investor. The other 3 units are rented. Market rents total \$2,400 per month!

Details: 4-Plex

Yr Built: 1981
Taxes: \$2,11
Acres: 0.21
HOA Fee: \$0
Under Cnst: No
Fin Bsmnt: 0%

Tot Sq Ft: 3,472
Unit Sqft: 868
Beds/Unit: 2
Baths/Unit: 1
Carports: 4
Add'l Prkg: 4

Exterior: Brick
Roof: Asphalt Shingle
Inclusions: Refrigerators: 4, Dishwashers: 4, Oven Ranges: 4, Disposals: 4.
Additional Info: Separate Power Meters, Separate Water Heaters, Sprinkler System, Full Landscaping.
Rents: Unit 1 – \$550 Unit 3 – \$600 **Total: \$2,350**
Unit 2 – \$600 Unit 4 – \$600

\$524,900



4484 Fairbourne Ave.

Huge 4-Plex w/ a Monster RV sized garage (not included in sqft.) Garage currently rented at \$200/month and is included in Unit #4 rent total. Great Central Location! Market rents of at least \$825/month. Unit #1 rented newly filled quickly at that amount.

Details: 4-Plex

Yr Built: 1978
Taxes: \$2,362
Acres: 0.35
HOA Fee: \$0
Under Cnst: No
Fin Bsmnt: 0%

Tot Sq Ft: 4,440
Unit Sqft: 1,110
Beds/Unit: 3
Baths/Unit: 1.5
Carports: 4
Add'l Prkg: 10

Exterior: Aluminum/Vinyl, Brick
Roof: Asphalt Shingle
Inclusions: Refrigerators: 4, Dishwashers: 4, Oven Ranges: 4, Disposals: 4.
Additional Info: Separate Power and Gas Meters, Separate Air, Separate Water Heaters.
Rents: Unit 1 – \$825 Unit 3 – \$780 **Total: \$3315**
Unit 2 – \$760 Unit 4 – \$950

\$364,900



1811 Norma Circle

Excellent Investment! Duplex on a quiet cul-de-sac in desirable east side neighborhood! East unit currently on a month-to-month lease at \$1,100/month. West unit owner occupied. Both units have new furnaces and air condition in 2006.

Details: Duplex

Yr Built: 1977
Taxes: \$1,876
Acres: 0.25
HOA Fee: \$0
Under Cnst: No
Fin Bsmnt: 0%

Tot Sq Ft: 3,188
Unit Sqft: 1,594
Beds/Unit: 3
Baths/Unit: 1.5
Garage: 2
Carport: 2

Exterior: Brick
Roof: Asphalt Shingle
Inclusions: Microwave, Range, Range Hood, Refrigerator
Additional Info: Separate Gas Meters, Separate Water Heaters, Separate Air, RV Parking, Full Landscaping.
Rents: Unit 1 – \$1,100
Unit 2 – Owner/Occupant
Total Rents of \$2,200 if both rented.

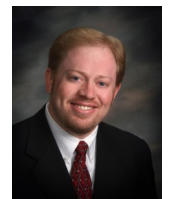


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